

But We Are No Longer Together!

Emily and Victoria were the founding partners of Messrs Grayson & Co, the Insured Practice ("IP"). After some time in the partnership, there were some disagreements about the Firm's business plan, eventually driving a wedge between them. Emily then moved out of the main office and rented an office adjacent to the Firm.

Despite being only a named partnership, they still maintained and shared certain parts of managing the Firm, for example administrative fees and staff salaries, equally. The office and clients' accounts were still held jointly by both of them.

A few months later, Emily received news that Victoria was suspended from practice as a result of a complaint lodged against her. Fearing that her reputation will be tarnished by Victoria's suspension, Emily decided to dissolve the partnership through a Deed of Dissolution. Emily later established Messrs Thorne and Associate and remained as a sole proprietor of her new Firm.

Two years later Emily was served with a Writ and a Statement of Claim which named her as a co-defendant in her capacity as a former partner of the IP. The claimant, Daniel, alleged that the IP was involved in a fraud to

dispose a property which belonged to him without his consent or knowledge.

Daniel was a good friend of Victoria. Sometime in 2015, he entrusted Victoria with a title to his property as lien for RM300,000 that he borrowed from Victoria to start a business. However, Daniel was slightly behind with the repayment and Victoria needed her money back to help her husband's ailing company, BlueFields Ltd. Unable to wait any longer, Victoria obtained a bank loan and charged Daniel's property as security.

Unfortunately, BlueFields Ltd was not able to meet its debt obligation and went into liquidation. Daniel only discovered about the charge when the bank served an Originating Summons to exercise their right to sell the property. After realising that the charge was registered fraudulently, he filed a suit against the bank, BlueFields Ltd, Emily and Victoria.

Emily did not have any knowledge about the transaction and when the suit was served, the partnership was no longer in existence. She also discovered that Victoria had already been struck off as an advocate and solicitor. She then proceeded to notify the Insurer.

